

State regulation of railroads began in the eastern states in the pre-Civil War era. The regulatory movement spread to the other regions of the country, especially the Midwest, in the 1870s. "Granger laws" (so named for the farmers' organization that demanded regulation) created state railroad commissions, whose main purpose was to set the rates that railroads were to charge for shipping and passengers. The commissions were also empowered to prohibit unfair practices such as rebates to favored shippers, free passes to public officials, and discrimination in long-haul/short-haul rates.

In *Munn v. Illinois* (1877) the United States Supreme Court upheld the principle of state regulation of railroads and other businesses "clothed with a public interest." Subsequent decisions placed limits on state regulatory power. Federal regulation came in 1887 with the passage of the Interstate Commerce Act, which established the Interstate Commerce Commission (ICC). Despite court-imposed restrictions on state regulation, and the entrance of the federal government into the regulatory field, the states continued to have considerable power to monitor railroad rates and practices. State and federal regulatory power grew to include other common carriers, telephones, telegraphs, express companies, and pipelines.

Although Nevada did not have a railroad commission until 1907, earlier legislation addressed the grievances of the public against the railroads operating in the state. A comprehensive measure ("An Act to provide for the incorporation of railroad companies, and the management of the affairs thereof, and other matters relating thereto") was adopted in 1865. In it the Legislature gave itself the power to change passenger and freight rates of narrow-gauge railroads. Also, the statute made it unlawful for a railroad to charge more than ten cents a mile for passengers or twenty cents a mile for transporting a ton of freight. Other provisions required railroads to maintain "a good and sufficient fence on either or both sides of their property" and made them liable for the loss of livestock in any unfenced area. The law also stated that all locomotives must be equipped with a bell, to be rung before a train crossed a street, road, or highway. Every railroad company was to run its trains according to fixed times, which were to be announced in publicly displayed schedules. Refusal to transport passengers or freight at the scheduled time made the companies liable for damages. Other sections of the law required baggage checks, maps of the railroad's route, and the filing of the railroad companies' annual reports with the Secretary of State. Intoxicated engineers and conductors could be convicted of a misdemeanor.

Legislation of 1879 went further into the area of railroad regulation. Statutes of that year prohibited discriminatory freight rates among persons, made rebates and drawbacks unlawful, prohibited discrimination between long- and short-haul rates, and required the railroads to publicly display detailed rate schedules. Several provisions of the acts of 1865 and 1879 carried criminal penalties. A statute of 1885 made it the duty of railroads to periodically unload livestock for rest, feeding, and watering. To remove any doubts as to the constitutionality of the act of 1879, an amendment to the state constitution in 1889 stated that "nothing in this section [Article 4, section 20] shall be construed to deny or restrict the power of the Legislature . . . to establish and regulate the rates of freight, passage, toll, and charges of railroads, toll roads, ditch, flume and tunnel companies incorporated under the laws of this State or doing business therein."

The Nevada lawmakers imposed regulations upon two other businesses that were "clothed with a public interest." An 1864 statute imposed penalties for failing to "secure secrecy and fidelity in the transmission of telegraphic messages." An act of 1866 relating to the construction and maintenance of telegraph lines required that rates be posted at each telegraph office, and made charging a higher rate a misdemeanor. The regulatory provisions of the act were applied to telephone companies in 1897. Throughout the later nineteenth century legislative resolutions and memorials beseeched Congress to enact legislation addressing the states' grievances against the railroads. After the establishment of the ICC the Legislature requested the President to appoint a Nevadan to the commission.

Nevada's regulatory legislation, most of it lacking provisions for effective enforcement, proved inadequate. In 1907 Nevada created what most other states had instituted earlier: an agency to regulate railroads. Assembly Bill 48, which passed the Legislature with only one negative vote, established the Railroad Commission. Modeled after similar laws of Wisconsin and Ohio (which were in turn based on those of Texas and Iowa), it embodied the latest Progressive Era regulatory thinking. The Wisconsin law, passed in 1905, replaced a weak commission with a body having significantly broader powers. One commentator wrote that the Wisconsin measure was "thoroughgoing, efficient, and successful." The years 1905-1907 saw the creation of several state railroad commissions and the strengthening of existing ones.

The Nevada act of 1907 also established a Railroad Board, to consist of the Governor, Lieutenant Governor, and Attorney General; the Board was to appoint the three members of the bipartisan Railroad Commission, who were given three-year terms. The commissioners were required to have "a general understanding of matters relating to railroad transportation," and one of them was to "devote his entire time to the duties of his office." The statute allowed for the employment of a full-

time secretary and "such other experts as may be necessary to perform any service [the Commission] may require of them."

The Nevada agency differed in one significant way from the regulatory bodies of other states. The 1907 act set specific maximum freight rates, rather than delegate the power to the Commission. The law authorized the Commission to determine passenger fares. The Commission's jurisdiction extended also to telephone, telegraph, and express companies, but not municipal rail systems.

Railroad charges were to be "reasonable and just" and their services and facilities "reasonably adequate." The companies were compelled to publicly post schedules of rates and fares; any change of schedules required thirty days notice to the Commission.

Section 7 set the maximum freight rates, with particular attention to charges for shipping ores. The Commission was granted the authority to set even lower rates. Narrow-gauge roads were allowed to charge up to 150 percent more than broad-gauge lines. Section 25 prohibited free passes to public officials. Other provisions addressed such matters as maintenance of depots, preference for shippers of livestock and perishable goods, furnishing of suitable and sufficient cars, and proper facilities for the interchange of traffic between lines. There was no specific prohibition against rates favoring long-haul shippers and discrimination against short-haul shippers, but charges for hauls of less than fifty miles could be charged the rate for fifty miles, except for those of less than fifteen miles, for which the Commission was to set the rate.

The Commission was given the power to investigate complaints, conduct hearings regarding unreasonable or discriminatory rates and unsatisfactory service, subpoena evidence, and compel witnesses to appear. The act empowered the commissioners to initiate an investigation even without a complaint. Rebates and other objectionable practices were prohibited. Discriminatory or illegal actions subjected railroad companies and their agents and officials to the payment of fines. Private parties injured by illegal activities were entitled to sue the companies for treble damages. Railroads were to submit to the Commission annual reports of their operations, as well as reports of all fatal accidents occurring on their lines or property. The act encouraged consultation and cooperation with other state railroad commissions and the ICC. Railroads and other interested parties dissatisfied with the mandates of the Commission were allowed to seek injunctions against them in the state's district courts.

The commissioners' powers applied only to traffic within the state; federal court decisions had earlier confined state railroad commission jurisdiction to intrastate rates, and after 1887 the federal ICC had jurisdiction over interstate traffic. Over the next several years the Legislature continued to enact measures pertaining to the safety and convenience of railroad workers and passengers. From the earliest years of state regulation, railroads persisted in challenging its constitutionality in the federal courts. The charge most often made was that rates imposed by state laws or commissions did not provide the railroads with a fair return; this, the railroad attorneys argued, was the taking of property without due process of law, which the XIV Amendment to the U. S. Constitution prohibited states from doing. Usually the courts upheld the rates imposed by the states, but occasionally they found them "confiscatory".

Not surprisingly, most of the railroads affected by Nevada's 1907 law brought suit in the United States Circuit Court for the District of Nevada, challenging the act on several familiar grounds. In *Southern Pacific Company, et al. v. Bartine, et al.* (1909) Judge Edward S. Farrington found little merit in the complaints of the railroads. He rejected the contention that, for the majority of the lines affected, the maximum freight rates were confiscatory. Nor did the Commission's powers encroach upon those of the executive and judicial branches. Farrington also held that permitting narrow-gauge railroads to charge higher rates was not a violation of the Nevada constitution's requirement of uniform operation of the laws.

An ICC commissioner, in 1910, noted that "[t]he highest main-line rates to be found in the United States are those from eastern points to stations in Nevada." A longstanding grievance in Nevada was the infamous "back-haul" charge. This was the practice whereby the rates for westbound freight destined for Nevada were the same as if shipped to Sacramento or San Francisco and then back to Nevada. The back-haul benefited West Coast wholesalers and distributors as well as the railroads. Because it involved interstate rates, the Railroad Commission could not act on this directly. But it could and did bring the matter before the ICC, beginning in 1908, with the so-called Reno Rate Case. While the case was pending, the ICC consolidated it with similar ones concerning Spokane and Phoenix, and the combined action was known as the Intermountain Rate Cases. When the ICC finally ruled in the matter, the decision largely favored the Railroad Commission's position. But the railroads took the matter to the new federal Commerce Court and secured an injunction

against the rates set by the ICC. The case then went to the United States Supreme Court, which sustained the ICC (Intermountain Rate Cases, 234 U.S. 476 [1914]). Meanwhile, the railroads continued to challenge Railroad Commission rulings in the lower federal courts.

In its first annual report the commissioners expressed doubts about the wisdom of legislatively imposed freight rates. In 1898 the U. S. Supreme Court had invalidated a Nebraska statute that had set rates. The 1909 session of the Legislature repealed section 7 of the 1907 law and gave the Commission full power over freight as well as passengers charges. Other provisions of the 1909 statute clarified or strengthened the 1907 law; for example, it gave the Commission the power to investigate the physical condition of railroad property and to order the repair or replacement of tracks, equipment, and buildings. The new act was not to be construed so as to permit railroads to charge passengers and shippers higher rates for short hauls than for long hauls. It also brought street railways under the jurisdiction of the Commission.

As in other states, Nevada's Railroad Commission evolved into an agency with powers to regulate public utilities. In 1911 the Legislature directed that the Railroad Commission serve ex officio as a Public Service Commission. This body was given wide authority to regulate the rates and practices of public utilities, the latter being defined as those businesses producing or furnishing "heat, light, power in any form or by any agency, water for business, manufacturing, agricultural or household use, or sewerage service. . . ." Echoing the language of the Railroad Commission Act of 1907, the law specified that utilities had "to furnish reasonably adequate service and facilities," that schedules be publicly posted, and that their rates be "reasonable and just." Also similar to the earlier law, the new Commission was granted powers to investigate company records, conduct hearings, and fix standards for service. The act prohibited rebates and rate discrimination, and required annual reports from all regulated utilities. In addition, it allowed the Commission to employ a public service engineer. As a regulator of utilities, the Commission's first major victory was securing a substantial decrease in the rates charged by the Nevada-California Power Company.

Enacted also in 1911 was a measure designating the members of the Railroad Commission as the chief commissioner, first associate commissioner, and second associate commissioner. The chief was to serve as chairman and had to be an attorney "well versed in the law of railroad regulation"; the first associate was to be a "practical railroad man," and the second associate a businessman with a general knowledge of railroad matters. The chief and first associate commissioners were to devote their entire time to Commission affairs. The law required that the Commission's secretary be "an expert rate man." A legislative resolution passed that year directed the Railroad Commission to take action against the "grossly excessive" rates of Wells, Fargo, & Company.

An act of 1913 required companies supplying water to municipalities to furnish water for firefighting, and made the Public Service Commission responsible for setting rates and making rules to implement the act. Another 1913 statute extended the Commission's jurisdiction to include regulation of the "placing, erection, use and maintenance of electric poles, wires, cables and appliances." Amendments adopted in 1915 broadened and strengthened the powers of both commissions over schedules and other records. In 1917 the definition of "railroad" was extended to include trucks and automobiles operating as common carriers. Jurisdiction over motor carriers was given to the counties in 1923, but reverted to the Commission in 1925.

In their report for 1918, the commissioners proudly announced that from 1907 to that year the agency had handled 1267 cases, resulting in substantial savings for the people of Nevada and "a marked improvement in service, a correction of improper practices and undue discrimination, and proper reductions made in unreasonable and unjust rates of the railroads and public utilities."

Nevertheless, it became increasingly obvious that neither Nevada nor any state had the power to remedy some of the major grievances against railroads. In 1917 the Legislature adopted a resolution denouncing the continuation of back-haul charges and calling upon the President and Congress to work for an amendment to the Interstate Commerce Act to correct the situation.

In 1919 the Legislature abolished the Railroad Commission, replacing it with a new Public Service Commission. As before, the Governor, Lieutenant Governor, and Attorney General (replaced by the State Treasurer in 1947) served as the body (now called the Public Service Board) that appointed the members of the Commission. The commissioners served four-year terms. One was to be the State Engineer; another was required to have knowledge of railroading; the third was to be familiar with public utilities rates and charges. One of the appointive members was to devote his entire time to Commission business. The act's definition of "public utilities" embraced common carriers, and express, telegraph, and

telephone companies, as well as private and municipal suppliers of heat, light, power, water, and sewer service. As with the earlier legislation, the Commission was given "full power of supervision, regulation and control of all such utilities."

In most respects the act was generally along the lines of the 1907 measure, as amended. For example, the 1919 statute and all later legislation regarding membership on the Commission required that it be a bipartisan body, that is, no more than a bare majority of the commissioners could be of one political party. The agency retained its authority to investigate, conduct hearings, require reports, set rates, prescribe standards, and impose penalties. This law also addressed matters such as long and short haul rates, rebates, and free passes. New features included requirements that public utilities obtain from the Commission a "certificate of public convenience" and that the Commission cooperate with the State Highway Department.

The act gave the Commission regulatory power over canal companies supplying water for irrigation. In a case involving this responsibility, the Supreme Court of Nevada explained the background and purpose of the Public Service Commission Act of 1919: [It] is the direct outgrowth of an urgent and persistent public demand for prompt, intelligent, and effective public control of public utilities. It is founded on necessity and convenience. Competition did not prove effective in preventing monopoly by public utility companies and its consequent burden on the public in the different classes of public service rendered by them." (Garson v. Steamboat Canal Co., 43 Nev. 298, 316 [1919]). From that time onward the Public Service Commission has remained what it later (1985) described itself as: " . . . a quasi-judicial and administrative body which regulates investor-owned utility, motor carrier and rail operations within Nevada."

Throughout the 1920s, as a tribunal for intrastate cases and as Nevada's advocate before the ICC in interstate matters, the Commission continued to contest excessive and discriminatory rates. The agency frequently acted in concert with its counterparts in other states. It issued several certificates of public convenience to persons and companies operating automobiles, trucks, and buses carrying freight and passengers. The Commission acted upon the requests of power companies seeking to discontinue service for dying mining communities. Also, it made and enforced rules for overhead and underground electrical lines. The reports of the Commission for the post-World War I years help document the competition between railroads and trucking lines.

Legislation of the 1920s brought oil pipelines (1921), and air common carriers and radio (1928) under the Commission's jurisdiction. State control over radio appears to have been brief and negligible, virtually ending with the passage of the Federal Communications Act of 1934. The Commission's regulatory powers over air carriers ended in 1981.

An act of 1921 made the Commission responsible for issuing licenses for commercial motor vehicles and for collecting the fees; legislative acts of the 1920s and 1930s broadened these and related powers. To facilitate enforcement, the Legislature, in 1931, provided the Commission with an inspector. The Motor Vehicle Carrier Act of 1933 gave the Commission the authority to license, supervise, and regulate all motor carriers, that is, private and contract carriers, as well as common carriers. Legislation of 1939 made contract motor carriers subject to regulation by the Commission.

In 1929 the Commission's responsibility to cooperate with federal agencies was increased to include the Department of Commerce, Bureau of Standards, Federal Radio Commission, Federal Power Commission, and Federal Trade Commission, as well as the ICC and the "regulating bodies of other states." Much later, in 1967, the Legislature authorized cooperation also with the Department of Transportation and other federal boards, agencies, and commissions concerned with transportation and communication. The federal Motor Carrier Act of 1935 entitled state agencies that regulated transportation to sit on joint boards for conducting hearings involving the interstate transportation of passengers and property by motor vehicle. According to the Public Service Commission's report of 1939-1940, one of its members devoted nearly all of his official time to attending such hearings. Pursuant to these acts, the Legislature, in 1937, established a revolving fund to finance attendance at such meetings.

In anticipation of the completion of Boulder (later Hoover) Dam and the availability of cheap and abundant electrical power for southern Nevada, the Power District Law, enacted in 1935, enabled municipalities, either by resolution or petition, to apply to the Public Service Commission for authorization to organize power districts. The Commission, after investigating, was to approve or disapprove the creation of a district. It could also establish districts on its own initiative.

During World War II the agency received permission to issue "emergency temporary" certificates to contract and common carriers. Following the war, the Commission's powers over motor vehicles came to encompass more than commercial carriers. The Motor Vehicle Safety-Responsibility Act of 1949 made the Commission the "administrative commissioner" to

enforce its provisions, which mainly concerned liability insurance, the reporting of accidents, and the suspension and revocation of licenses. That year, following the recommendation of the Legislative Counsel Bureau, the Legislature also transferred various activities relating to public highways from the State Highway Department to the Public Service Commission: the issuing of drivers' and chauffeurs' licenses; the collection of fees for registration and licenses; collection of taxes on gasoline and motor fuel; highway safety and safety education. To enforce these provisions, the same statute created the Highway Patrol, and placed it under the Commission. The 1957 Legislature created the Department of Motor Vehicles and provided for the transfer of these activities from the Commission to the new department by 1959. Through a statute of 1959 the Commission retained the authority to regulate, supervise, and license motor, common, and contract carriers, as well as certain private carriers. The same act clarified the division of duties between the Commission and Department of Motor Vehicles.

By the end of 1952 the Commission controlled and supervised the following: "4 railroads; The Pullman Company and Railway Express Agency, Inc.; 35 water utilities; 26 utilities furnishing electricity or gas; 20 telephone and/or telegraph companies; 2 airlines; 116 intrastate contract carriers; 120 intrastate common carriers and 2000 private motor vehicle carriers."

As is often the case with regulatory agencies, the Public Service Commission came to believe it had a responsibility to the businesses being regulated as well as to the public. For example, its report for 1959-1960 emphasized that "it is very important that Nevada participate in the Interstate Commerce Commission hearings in order to protect the interests of Nevada carriers." During that biennium the Public Service Commission participated in 37 joint board hearings pertaining to motor carrier certificates. The Commission nevertheless continued to concern itself with the needs of the traveling and shipping public. For example, in 1960 the U.S. District Court agreed with the Commission that Bonanza Airlines could not discontinue its service to Hawthorne nor curtail service to Tonopah.

Legislation of 1953 raised the number of commissioners to four, stipulating that one of them be the State Engineer, serving ex officio but without voting privileges. The other three were to be appointed by the Governor, rather than the Public Service Board, and one of them was to serve part-time. The Governor was to appoint a chairman. One of the appointive members had to "be generally familiar with the operation of transportation facilities"; another was required to have "general knowledge of fares and freights and tolls and charges levied and collected by public utilities." The law provided for a secretary "who shall be an expert rate man" (a qualification dropped in 1967) and an assistant secretary, both of whom were appointive by the Commission. Also provided for in 1953 was an office in Las Vegas for the Public Service Commission and some of its divisions, which opened in 1957. Since then, in addition to the main office in Carson City and the regional office in Las Vegas, field offices have been set up in Elko, Reno, Ely, and Winnemucca. Since 1985 one of the commissioners has been based in Las Vegas. Two years later a statute was passed which said that any document required to be filed with the Commission could be filed at the Las Vegas office and have the same effect as if it were filed in Carson City.

An act of 1957 dropped the number of commissioners back to three, all of whom were to perform their duties full time. The membership was raised to five in 1983. The law doing so required that all commissioners have at least two years experience in one or more of the following areas: accounting; business administration; finance, administrative law, professional engineering, and the operation of motor carriers. The act allowed for the appointment of one member "to represent the general public." For the past several years the Commission has informally delegated to each commissioner "authority over certain pending matters." Final decisions, however, are arrived at by the full Commission in regularly scheduled meetings.

A statute of 1957 (amended in 1963, 1965, 1967, 1973, 1989, and 1997) brought securities issued by public utilities under the supervision of the Commission. In 1960 the Legislature designated the Public Service Commission as the agency to require and approve liability insurance for motor carriers. During that session an Assembly Concurrent Resolution requested the Commission "to investigate and reduce rates on intrastate livestock trucking."

Legislative action in 1963 brought about a number of significant changes. An act of that year empowered the Commission to levy and collect an annual assessment on the gross operating revenue from the intrastate operations of public utilities in Nevada, the moneys to go to the State Treasury and credited to the Public Service Commission Regulatory Fund. This, along with a highway fund appropriation, has been the primary source of Commission funding. The same legislation declared certain cooperative associations and nonprofit corporations "to be affected with a public interest" and therefore public utilities subject to the Commission's regulation and control. Another statute authorized the agency to issue cease

and desist orders to utilities operating without a certificate of public convenience and necessity, or operating in violation of the laws of the state. Water and sanitation districts came under the jurisdiction of the Commission. So too, in 1967, did general improvement districts; an amendment of 1971 provided that in districts governed by the board of county commissioners the board was ex officio the district's board of trustees. In 1977 the Commission lost jurisdiction over all of the general improvement districts. Two other enactments of 1967 took the power to regulate taxicabs away from the cities and gave it to the Commission, but in 1969 the regulating of taxicabs in Clark County became the responsibility of the county. The legislative session of that year also created the Taxicab Regulating Fund Account, the fund to be maintained by payments required of taxicab owners. Taxi regulation proved to be one of the Commission's more vexatious tasks.

Community antenna television companies came under the purview of the Commission in 1967. Soon this authority was extended to cable television. An Executive Order issued in the mid-1960s assigned to the Commission the responsibility for maintaining and operating a State Emergency Transportation Office, "which, under emergency conditions, would direct, control, coordinate, and establish operating procedures for organization of all state transportation."

For many years up to 1969 the chairman of the Commission had been an ex officio member of the Tax Commission. Legislation of that year eliminated the dual appointment.

As the Commission's powers and duties expanded, so too did its staff. Early in the agency's history there were only a few employees, and engineering and auditing personnel were hired on call or by contract. By 1970 the staff consisted of "three full-time commissioners, a secretary, an assistant secretary, one Deputy Attorney General, four professional engineers, one engineering technician, a rate specialist, a tariff clerk, seven auditors, eight inspectors in both motor carrier and aviation activity, and a clerical staff of nine stenographers and clerks." To provide assistance to the Commission in non-regulatory matters, the Legislature authorized the hiring of an Executive Director in 1975. In 1979 the Commission and its inspectors received police power to enforce its regulations, and the inspectors were allowed to carry arms. That year a deputy commissioner, authorized to conduct hearings (except in rate-change cases) was added to the staff.

Growing concerns over the environment and the impact of public utilities on it led to the passage of the Utility Environmental Protection Act of 1971. The act delegated to the Public Service Commission most of the responsibility for its enforcement. Specifically, the Commission's major responsibility was to act upon applications from utility companies for permits to build new facilities. As authorized by the Legislature, the Commission assumed jurisdiction over tow-car operators in 1971 and, in 1973, over household goods warehousing.

Since Fiscal Year 1971-1972 the Commission has received funds on a matching basis from the Federal Gas Pipeline Safety Fund. In addition to assessments on utilities and the highway fund appropriation, other sources of revenue have included taxicab, tow-car, and application and filing fees.

In 1975 two new divisions of the Commission were established by law. The function of the Division of Consumer Relations was to hear and resolve complaints against utilities and, if unable to resolve complaints, to pass on its recommendations to the Commission. The Energy Management Division was made responsible for evaluating "energy demand and supply alternatives"; this division, however, was abolished in 1977. After that time the two components were the Policy Section and the Regulatory Operations Staff. Another statute of 1975 provided that a member of the Commission sit on the State Resources Advisory Board.

Because of inflation, the complexity of utilities' regulation, and the energy crisis, the Legislature, in a 1975 resolution, directed the Legislative Commission to study and report upon the Public Service Commission and the utilities it regulated. Meanwhile, in 1977, the Legislature passed a more strongly worded resolution calling for a study and report: "Allegations have been made concerning the integrity of individual members of the public service commission . . . and questions have arisen concerning the procurement practices of and contracts entered into by Nevada utilities. . . ." Apparently no report was published in response to this resolution. In 1979 came yet another resolution, this one directing the Legislative Commission to study and report on the Commission, in particular calling for an examination of "the merits of requiring competitive bidding on all large projects of construction or repair to be undertaken by public utilities." The report was published in 1980. In addition to competitive bidding, it addressed consumer representation, community antenna television, and conservation. Because of inflation, the complexity of utilities' regulation, and the energy crisis, the Legislature, in a 1975 resolution, directed the Legislative Commission to study and report upon the Public Service Commission and the utilities it regulated. Meanwhile, in 1977, the Legislature passed a more strongly worded resolution calling for a study and report: "Allegations have been made concerning the integrity of individual members of the public

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Another serious matter was the public perception that the Commission was more responsive to the large utilities than to the public. The tendency for this and other regulatory agencies, both state and federal, to safeguard the interests of the regulated industries became increasingly evident in the later twentieth century. In 1988 the Commission stated that its goal was "To ensure that Nevadans receive safe, dependable and reliable utility service at a fair cost." By 1994, the mission statement was amended, pursuant to a 1993 legislative statement of policy, to declare that the agency "will balance the interests of customers and shareholders of public utilities by allowing public utilities the opportunity to earn a fair return on their investments while providing customers with just and reasonable rates." Moreover, "The Commission will promote a transportation infrastructure flexible enough to accommodate the economic growth of the state without creating a competitive environment detrimental to the traveling and shipping public, or to the motor carrier industry." The agency's report for 1985-1986 announced that the Commission was working with the telecommunications industry "to obtain legislation allowing the Commission to deregulate competitive long-distance services," and was continuing to work with the transportation industry to revise the state's transportation regulations.

To provide greater representation of the public interest, the Legislature created the office of Advocate for Customers of Public Utilities in 1981, placing it, however, within the Office of the Attorney General. Responding to the public's concern about rising utility costs, the 1985 legislative session created a special joint committee to investigate rates for gas and electricity, and to report on the fairness of the distribution of the rates among different classes of consumers.

A statute of 1977 required that the members of the Commission "be persons who are independent of the industries regulated by the commission and who possess demonstrated competence"; an act of 1987 prohibited a public utility or a parent or subsidiary company to employ a former commissioner for one year. Enacted also in 1977 was a law granting the Commission the power "to order an examination of the condition and management of any public utility under its jurisdiction which is a community antenna television system, telephone company, electric light, heat and power company or a natural gas company." In 1979 the Legislature ordered the Department of Highways, working with the Public Service Commission, to draw up and implement a state plan for railroads, with the objectives of preserving and rehabilitating rail lines and restoring and improving freight service.

An act of 1981 declared geothermal energy a public utility and its sale subject to control by the Commission. Throughout the 1980s and 1990s state legislation increased the Commission's responsibilities relating to water conservation and the transportation of hazardous waste.

The increase of federal power and recent demands for the deregulation of industry have caused a diminution of the power of the Public Service Commission in some areas. In the field of railroad regulation, for example, there has been a notable decrease in Commission activity. By 1986, it no longer controlled railroad rates or service; its remaining railroad jurisdiction covered only agency closures, grade crossings, track and safety inspection, and the transportation by rail of hazardous materials. In 1985 the lawmakers deregulated community antenna television and, in the wake of the breakup of AT&T, allowed the Commission to exempt from regulation "to the extent it deems reasonable, services related to telecommunication . . . upon a determination after hearing that the services are competitive and that regulation thereof is unnecessary." In this period there are several other examples of the Legislature mandating or permitting the removal or relaxation of controls of public utilities. The major rationale for deregulation was the belief that, by allowing the replacement of regulated monopolies with competing enterprises, regulation would not be needed.

In 1997 the Public Service Commission became the Public Utilities Commission. The legislation making the change also created the Transportation Services Authority, which was given the old Commission's responsibilities for motor carriers.

Railroad Commission\Public Service Commission Records

General Files

Inclusive dates: 1909-1989.

81 cu. ft.

Arranged by type of business (transportation, utilities), and thereunder by year, and thereunder alphabetically by name of business.

The records consist mainly of the required annual reports of motor carrier and utilities companies subject to the Commission's regulation, 1946-1989. They are divided into subgroups for "Transportation" and "Utilities". The transportation businesses include bus, taxicab, limousine, towing, moving and storage, delivery, trucking, and other motor carrier companies. The utilities include gas, water, sewer, power and light, telephone, and telegraph companies.

The reports of transportation (motor carrier) companies contain data on officers, revenues, expenses, assets, property and equipment, liabilities and equity/capital, tonnage, mileage, and depreciation.

Information found in the reports of utilities includes: names of company officers, income and earned surplus, debits and credits, revenues and expenses, capital stock, operating expenses, compensation of employees, depreciation, notes and accounts payable, and plants.

The earlier records are mostly annual and monthly reports of railroads, telephone, and telegraph companies. Among the railroads reporting were: the Central Pacific, Southern Pacific, Union Pacific and its leased lines, Western Pacific, Virginia & Truckee, Tonopah & Tidewater, and Northern Nevada. There are also railroad accident reports and reports from railroad-related enterprises such as the Pullman Company and express agencies.

The reports of the railroads contain information about officers of the corporation, assets and liabilities, road and equipment property, reserve funds, securities, investments, funded debt, depreciation, operating revenues and expenses.

Other than reports, there are bound volumes (35100301 - 35100304) of: Minutes of Meetings, January 28, 1935 to January 10, 1950; Index to Register of Actions, 1935-1939; Register of Actions, 1935-1939; Opinions and Orders, 1935-1939. These records cover the complaints heard and acted upon by the Commission. A volume of incoming and outgoing Railroad Commission correspondence, 1914-1916, is found in box 0050.

Federal agencies with which the Public Service Commission dealt are the Interstate Commerce Commission, Federal Power Commission, Federal Communications Commission, Department of Transportation. But little if anything relating to these agencies are in the records.